



2011 Interim Results

10 August 2011

Building a platform
for growth



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Operational results

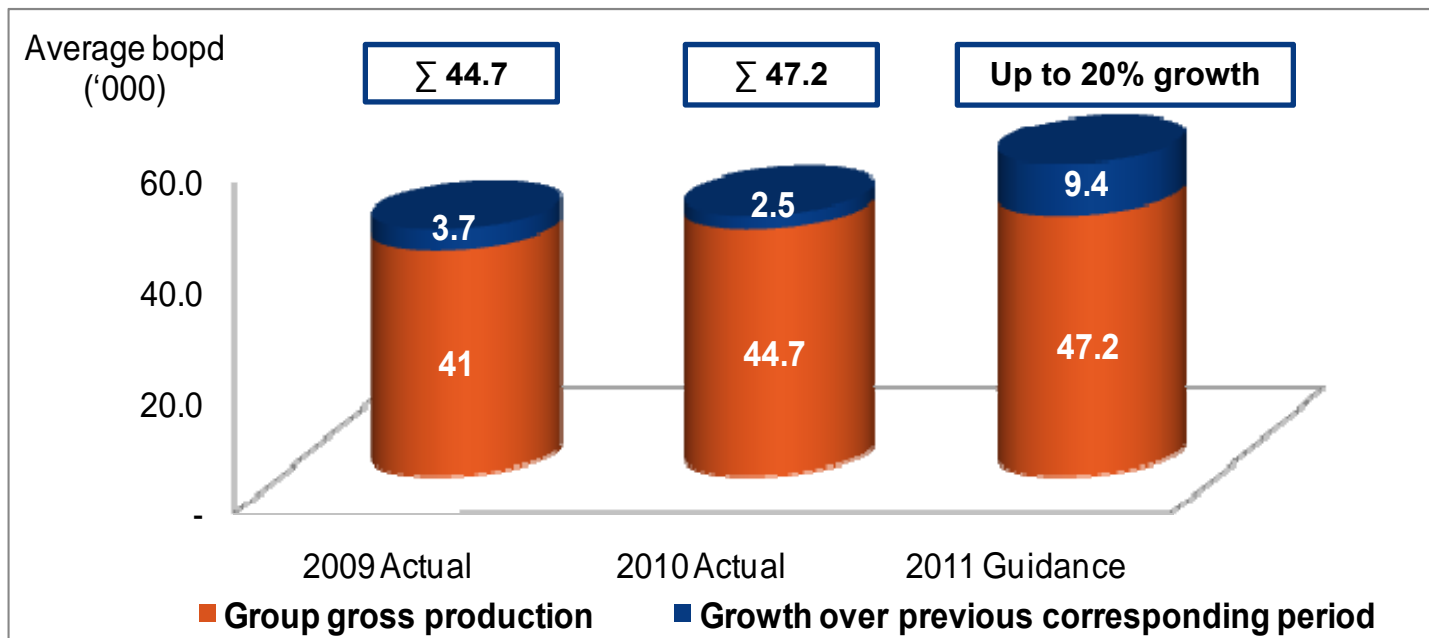




Above: Offshore operations, offshore platform.

- Revenues in 1H 2011 almost doubled to US\$527.4m compared to 1H 2010
- 1H 2011 average gross production rate up 25% to 58,000 bopd with current production rate of over 60,000 bopd
- Eight wells put into production
- Contract for the construction of the Dzhygalybeg (Zhdanov) B platform awarded
- Interim dividend of US cents 9 announced

- Growth of 25% in the average gross production to approximately 58,000 bopd (1H 2010: 46,420 bopd) achieved in 1H 2011 thanks to
 - Production from six wells completed in 1H 2011 on the Dzheitune (Lam) 28 and B platforms; and
 - Transition to the new infrastructure at the end of 2010
- Target strong gross production growth of up to 20% in 2011



- 2011 drilling programme increased to comprise 12 wells, plus one sidetrack and one workover, versus 11 wells stated at the beginning of 2011;
- Eight new development wells completed to date (including one well from the 2010 drilling campaign); and
- Five development wells, one sidetrack and one workover remain to be completed by the year-end

Well	Rig	Completion date	Depth (metres)	Type of completion	Initial test rate (bopd)
B/150	Iran Khazar	January 2011	3,980	Dual	1,622
28/152	NIS	March	3,768	Dual	3,463
B/153	Iran Khazar	March	3,668	Dual	2,428
28/154	NIS	May	1,830	Single	3,081
B/155	Iran Khazar	June	2,800	Dual	783
28/156	NIS	June	2,000	Single	3,038
B/157	Iran Khazar	July	2,900	Single	1,767
28/158	NIS	August	1,786	Single	2,876



Above: Offshore drilling rig.



Above: Offshore platform, offshore drilling rig.

Dzheitune (Lam)

- 9 platforms
- Third new platform (C) expected in Q4 2011
- Block 1 riser platform to be commissioned soon
- 58 new wells completed

Dzhygalybeg (Zhdanov)

- 3 platforms
- First new platform (A) expected in Q1 2012
- Drilling to start in 2012

Further infrastructure to be added

- Dzhygalybeg (Zhdanov) B platform – contract awarded
- Block 4 riser platform in the Dzhygalybeg (Zhdanov) filed – contract awarded
- Contracts for at least two new wellhead and production platforms in Dzheitune (Lam) field to be awarded within the next 18 months

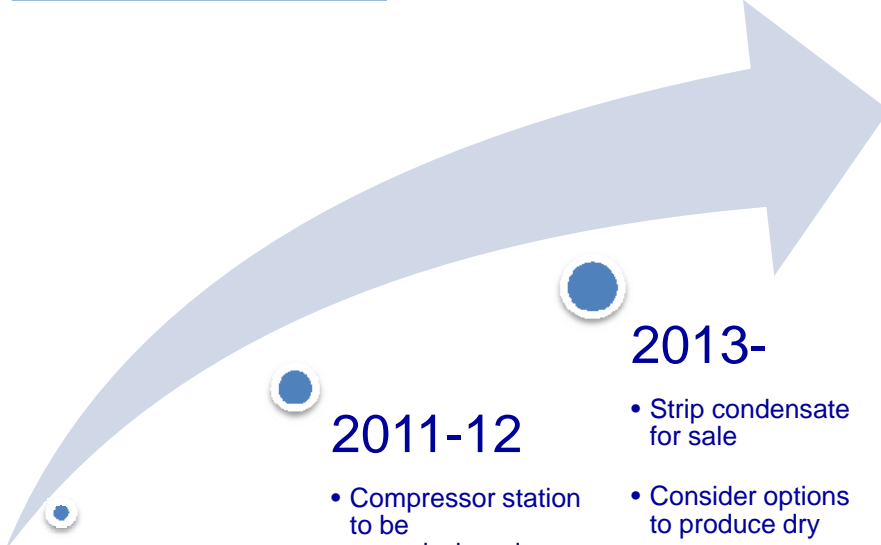
Drilling rigs expected

- Super M2 jack-up rig to be delivered in 1Q 2012
- 3,000 hp land rig to be leased in 2012



Gas monetisation and diversification





2010

- Infrastructure completed to bring gas onshore
- FEED completed

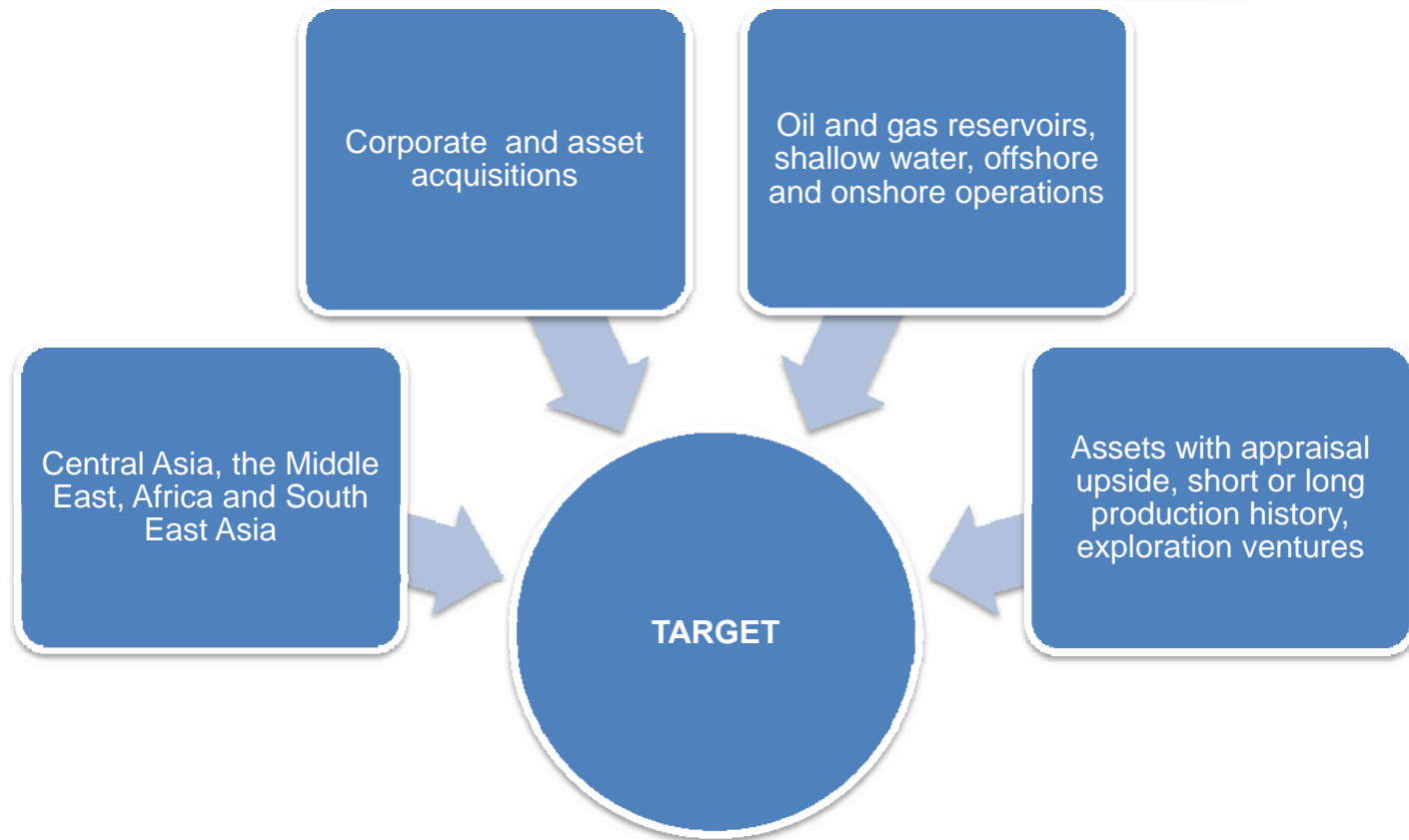
2011-12

- Compressor station to be commissioned
- Option for an optimised less costly gas-condensate recovery plant to be considered

2013-

- Strip condensate for sale
- Consider options to produce dry gas





- We screened a significant number of targets in 2010 and so far in 2011 and the work is ongoing by New Ventures Team
- We expanded our search criteria
- Our objective is to provide additional growth potential within our portfolio as well as geographic diversification



Financial results

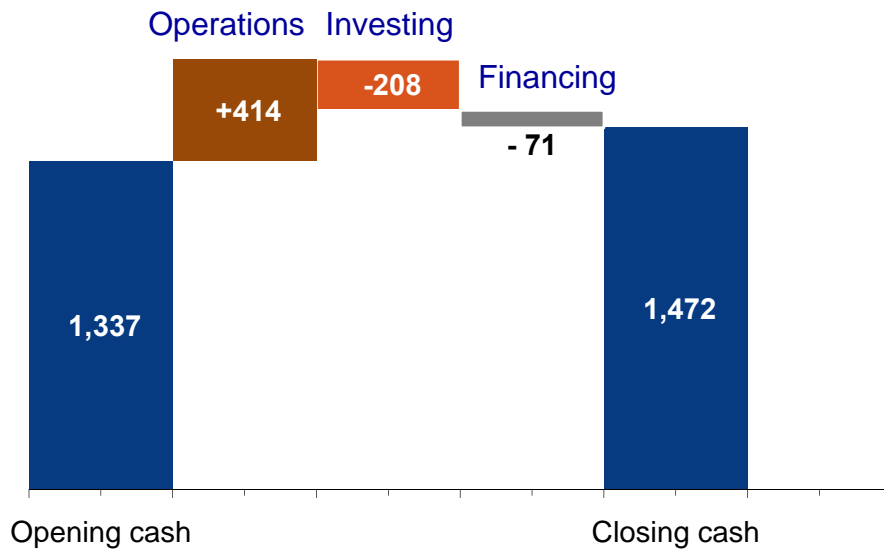


US\$m	1H 2011	1H 2010	Change
Revenue	527.4	276.3	+91%
Cost of Sales	(109.7)	(89.1)	(23%)
Operating profit	407.3	173.6	+135%
Profit for the period	309.4	137.6	+125%
Net cash generated from operating activities	413.7	197.0	+110%
Earnings per share, basic (US cents)	59.98	26.71	+125%
Earnings per share, diluted (US cents)	59.80	26.62	+125%
Interim dividend per share (US cents)	9.00	nil	nil
Total equity	2,332.2	1,842.4	+27%
Debt	0.0	0.0	nil

- Best ever six months' financial performance for the Group underpinned by:
 - 32% increase in the volume of crude oil sold; and
 - benefit of strong realised oil prices
- Significant growth in EPS (up 125%)
- Unleveraged position maintained

US\$m	1H 2011	1H 2010	Change	Comments
Revenue	527.4	276.3	+91%	55% of the increase attributed to higher crude oil prices and the balance to increase in sales volumes
Cost of sales	(109.7)	(89.1)	(23%)	Higher costs due to higher field costs and inventory movement, partly offset by lower crude oil transportation costs and change in the lifting position
Administrative expenses (net)	(10.5)	(13.7)	+23%	Lower in 1H 2011 primarily due to one-off corporate costs in 1H 2010
Operating profit	407.3	173.6	+135%	Higher operating profit as a result of higher revenue
Finance income	9.0	13.2	(32%)	Lower interest rate environment despite higher cash maintained during 1H 2011
Income tax expense	(106.9)	(49.2)	(117%)	Higher tax expense as a result of higher profit before tax
Net profit	309.4	137.6	+125%	

Cash flow in 1H 2011 (US\$m)

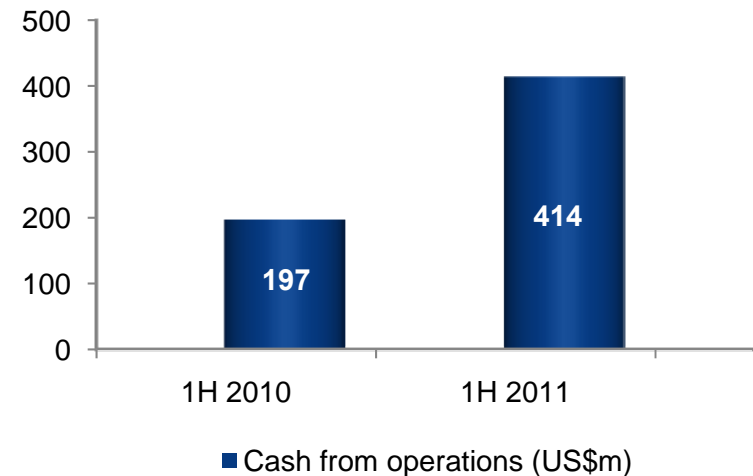


Cash and term deposits total US\$1,472m as at 30 June 2010 and include:

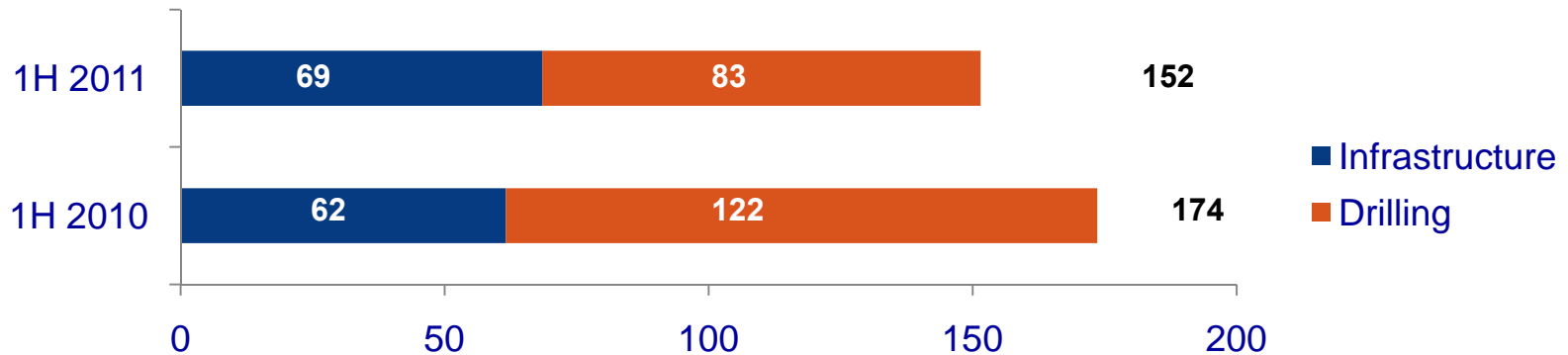
- Term deposits of more than three months of US\$1,339m
- Term deposits also include abandonment and decommissioning fund of US\$216m

- Net cash from operations up 110%
- Capital expenditure in 1H 2011 was US\$152m and US\$216m cash outflow after movement in payables
- Cash maintained with international and UAE banks

Net cash from operations (US\$m)



US\$m	1H 2011	1H 2010	Comments
Non-current assets			
Property, Plant & Equipment and intangible assets	1,240.1	1,176.4	Increase due to US\$151.5m of capex offset by depletion and depreciation charge
Current assets			
Inventories, trade & other receivables	184.6	145.3	Increase primarily due to crude oil underlift receivable as at the end of the period
Cash & term deposits	1,472.3	1,336.6	Increase is due to cash generated from operations
Total assets	2,897.0	2,658.3	
Total equity	2,332.1	2,093.0	Increase attributed primarily to profit for the period, offset by the maiden dividend of US\$72.2m paid during the period
Liabilities			
Non-current liabilities	107.9	83.2	Maintained zero-debt position
Current liabilities	457.0	482.1	Lower primarily due to US\$64.6m movement in trade payables and accruals, offset by an increase in A&D liability
Total equity & liabilities	2,897.0	2,658.3	



Total capital expenditure in 1H 2011 of US\$151.5m:

- Drilling (55%):
 - Six wells completed
- Infrastructure (45%)
 - Dzheitune (Lam) C platform
 - Dzhygalybeg (Zhdanov) A platform
 - Infrastructure upgrades



Above: The Dzheitune (Lam) B platform.



Outlook



	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2011-13
Drilling	Lam 28/152, Lam B/153	Lam 28/154, Lam B/155, Lam 28/156	Lam B/157, Lam 28/158 completed; two wells to be completed	Three wells, a sidetrack and a workover		Up to 40 wells, incl. five appraisal wells
Infrastructure			Dzheitune (Lam) Block I	Dzheitune (Lam) C platform	Dzhygalybeg (Zhdanov) A platform	US\$600-700m spend on projects
Production	Target up to 20% gross production growth					10-15% on average per annum



Above: Storage tankers.

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2011-13
Gas monetisation	<ul style="list-style-type: none"> • Pursue dual gas monetisation strategy • Continue discussions with Turkmen authorities • An option to build an optimised less costly gas-condensate recovery plant being discussed 					
Diversification	<ul style="list-style-type: none"> • Central Asia, the Middle East, Africa and South East Asia • Oil and gas offshore and onshore with exploration upside 					
Dividends		18 May, AGM approved 2010 full-year maiden dividend	2011 interim dividend of US cents 9 announced and to be paid on 23 September		2011 full-year dividend	



Above: The Dzheitune (Lam) platform.

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